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CITIZENS SUMMARY

Findings in the Fiscal Year 2021 State of Missouri Single Audit

Background	A single audit requires an audit of the state's financial statements and expenditures of federal awards. The state spent approximately \$20.6 billion in federal awards during the fiscal year ended June 30, 2021. Our Single Audit involved audit work on 20 major federal programs administered by 10 state agencies, with expenditures totaling approximately \$13.8 billion.
DED Subrecipient Determination and Monitoring	Improvements are needed in the Department of Economic Development's (DED) internal controls related to subrecipient determinations. During state fiscal year 2021, the DED did not comply with the Uniform Guidance requirements regarding subrecipient monitoring for the Emergency Rental Assistance (ERA) Program.
DED SEFA	The expenditures reported on the DED's schedule of expenditures of federal awards (SEFA) submitted to the Office of Administration - Division of Accounting (DOA) for inclusion in the statewide SEFA for the year ended June 30, 2021, were misstated. If the misstatement had not been identified during the audit, DED program expenditures would have been understated by \$337,542,257 in the statewide SEFA.
DED Performance and FFATA Reporting	The DED did not establish an internal control system over required federal reporting of the ERA Program and did not identify a significant inaccuracy in a performance report. In addition, the required Federal Funding Accountability and Transparency Act (FFATA) reporting was not submitted for state fiscal year 2021.
Medicaid National Correct Coding Initiative	As noted in our previous audit, the Department of Social Services (DSS) - MO HealthNet Division has not fully implemented the Medicaid National Correct Coding Initiative edits in the Medicaid Management Information System as required.
Medicaid and CHIP Participant Eligibility	As similarly noted in our 2 previous audits, the DSS does not have sufficient controls to ensure compliance with the eligibility requirements of the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP) for certain participants whose eligibility is based on their Modified Adjusted Gross Income (MAGI). The DSS did not correct system overrides for some MAGI-based participants, preventing their cases from being closed when necessary.
Foster Care Maintenance Payment Rates	The DSS has not documented policies and procedures, including a periodic schedule, for reviews of Foster Care program maintenance payment rates. In addition, the DSS could not provide documentation supporting any review of the rates in effect for the year ended June 30, 2021.
Child Care Corrective Payments	DSS controls over the Child Care Development Fund (Child Care) program's corrective (manual) subsidy payments to child care providers are not sufficient to prevent improper payments. The DSS made unsupported corrective payments and/or overpaid providers on behalf of 3 children.

DSS FFATA Reporting	The DSS - Division of Finance and Administrative Services (DFAS) needs to strengthen internal controls related to FFATA reporting for the TANF, LIHEAP, and CVA programs. During state fiscal year 2021, the DFAS did not fully comply with FFATA reporting requirements for more than half of the subawards reviewed.
ELC Program Subrecipient Reimbursements	The Department of Health and Senior Services (DHSS) did not have sufficient controls and procedures to ensure Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) program reimbursements to subrecipients were allowable, reasonable, and supported with sufficient documentation. As a result, unsupported reimbursements totaling \$105,507 were made to some subrecipients.
ELC Program Subrecipient Monitoring	The DHSS - Division of Community and Public Health did not perform subrecipient monitoring procedures in accordance with the department monitoring policy.
DHSS FFATA Reporting	During state fiscal year 2021, the DHSS did not complete FFATA reporting within required timeframes for some ELC program subawards.
Medicaid SPPC Participant Choice Agreements	The DHSS - Division of Senior and Disability Services does not have effective controls in place to ensure Participant Choice Agreements were obtained and/or retained for participants of the State Plan Personal Care (SPPC) program. A Participant Choice Agreement was not in the web tool or retained elsewhere for 5 participants (8 percent) reviewed.
Medicaid Facility Survey Timeliness	The DHSS - Section for Long-Term Care Registration did not perform facility survey procedures within required timeframes.
Medicaid Developmental Disabilities Comprehensive Waiver Per Diem Rates	As noted in our prior 6 audit reports, the Department of Mental Health - Division of Developmental Disabilities (DD) continued to pay historical per diem rates to providers for residential habilitation services provided to participants of the Home and Community Based Services, Developmental Disabilities Comprehensive Waiver (Comprehensive Waiver) program, but did not retain adequate documentation to support these rates. As a result, the DD could not demonstrate some amounts paid were allowable costs of the Comprehensive Waiver program.
GEER Fund Annual Performance Reporting	The Department of Elementary and Secondary Education (DESE) did not report subaward information in its annual performance report of the Governor's Emergency Education Relief (GEER) Fund for the period March 13 through September 30, 2020.
DESE FFATA Reporting	During state fiscal year 2021, the DESE did not comply with FFATA reporting requirements for any of the subawards reviewed for the GEER Fund and the Elementary and Secondary School Emergency Relief Fund grants.
Special Education Cluster Subrecipient Monitoring	The DESE needs to strengthen internal controls to ensure compliance with subrecipient monitoring requirements. During the year ended June 30, 2021, the DESE did not perform subrecipient monitoring reviews in accordance with its monitoring guide for the Special Education Cluster.

DESE SEFA	The DESE's controls and procedures related to the preparation of the SEFA were not sufficient; and as a result, expenditures reported on the DESE SEFA submitted to the DOA for inclusion in the statewide SEFA for the year ended June 30, 2021, were misstated. If the errors and omissions had not been identified during the audit, expenditures would have been understated by approximately \$77.1 million in the statewide SEFA for various DESE programs.
Department of Labor and Industrial Relations UInteract System Controls	The Department of Labor and Industrial Relations needs to improve certain UInteract system controls. System controls were not sufficient to prevent or detect improper payments authorized by an employee totaling approximately \$123,000 during fiscal years 2020 and 2021.
SEMA Suspension and Debarment Procedures	During the year ended June 30, 2021, the Department of Public Safety - State Emergency Management Agency (SEMA) did not have adequate procedures to ensure the timely verification that subrecipients of the Disaster Grants - Public Assistance (Presidentially Declared Disasters) (DGPA) program were not suspended or debarred.
SEMA FFATA Reporting	The SEMA needs to strengthen internal controls related to FFATA reporting for the DGPA program. During state fiscal year 2021, the SEMA did not comply with FFATA reporting requirements for any of the subawards reviewed.
MoDOT FFATA Reporting	The Missouri Department of Transportation (MoDOT) needs to strengthen internal controls related to FFATA reporting for the Airport Improvement Program.

Because of the nature of this audit, no rating is provided.



Recommendations in the audit of the State of Missouri Single Audit

DED Subrecipient Determination and Monitoring	<p>The Department of Economic Development (DED):</p> <ul style="list-style-type: none">A. Develop and implement procedures regarding subrecipient determinations and ensure a determination is made when program funds are disbursed to determine if the recipient of the funds is a subrecipient or a vendor.B. Formally assess and document each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring. Additionally, develop a subrecipient monitoring program that includes ensuring the subrecipient is compliant with program and relevant legal provisions and appropriate monitoring of subrecipient audit findings related to the program.
DED SEFA	<p>The DED ensure an accurate Schedule of Expenditures of Federal Awards (SEFA) is prepared and submitted to the Office of Administration - Division of Accounting (DOA).</p>
DED Performance and FFATA Reporting	<p>The DED:</p> <ul style="list-style-type: none">A. Develop an internal control system over federal reporting requirements for the Emergency Rental Assistance (ERA) Program and ensure reports are submitted accurately.B. Take the steps necessary to ensure the Federal Funding Accountability and Transparency Act (FFATA) reporting requirements are met.
Medicaid National Correct Coding Initiative	<p>The Department of Social Services (DSS) through the MO HealthNet Division (MHD) strengthen controls over the Medicaid National Correct Coding Initiative (NCCI) requirements to ensure NCCI edits are fully implemented and reprocess claims paid when edits are not implemented timely, as required.</p>
Medicaid and CHIP Participant Eligibility	<p>The DSS through the MHD and the Family Support Division (FSD) review participants with manual overrides in the Medicaid Eligibility Determination and Enrollment System (MEDES) to ensure the participants remain eligible and do not meet one of the exceptions requiring removal from the Medicaid and the Children's Health Insurance Program (CHIP) during the public health emergency (PHE). In addition, the DSS should review and correct the eligibility for the ineligible participant identified in this finding.</p>
Foster Care Maintenance Payment Rates	<p>The DSS through the Children's Division (CD) and the Division of Finance and Administrative Services (DFAS) develop policies and procedures, including a reasonable and specific schedule, for periodic reviews of Foster Care program maintenance payments and rates, and implement the schedule for reviewing and determining the appropriateness of the payments and rates as required. Also, maintain documentation of all reviews performed.</p>

Child Care Corrective Payments	The DSS and the Department of Elementary and Secondary Education (DESE) review, strengthen, and enforce policies and procedures regarding Child Care subsidy provider corrective payments. These procedures should include receipt and retention of payment resolution request forms and attendance records that sufficiently support the corrective payments. The DSS should review and correct the overpayments for the children identified in this finding.
DSS FFATA Reporting	The DSS through the DFAS strengthen internal controls related to FFATA reporting by having supervisors maintain documentation of reviews performed of the information reported to the FFATA Subaward Reporting System (FSRS) for the Temporary Assistance for Needy Families (TANF), Low-Income Home Energy Assistance (LIHEAP), and Crime Victim Assistance (CVA) programs. In addition, the DFAS should complete FFATA reporting in accordance with the applicable requirements.
ELC Program Subrecipient Reimbursements	The Department of Health and Senior Services (DHSS) through the Division of Community and Public Health (DCPH) establish procedures for reviewing detailed documentation supporting reimbursements to Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) program subrecipients to ensure costs are allowable, reasonable, and supported.
ELC Program Subrecipient Monitoring	The DHSS through the DCPH ensure subrecipient monitoring procedures are performed in accordance with the department monitoring policy.
DHSS FFATA Reporting	The DHSS complete FFATA reporting for the ELC program within required timeframes.
Medicaid SPPC Participant Choice Agreements	The DHSS through the Division of Senior and Disability Services (DSDS) implement procedures to ensure a signed Participant Choice Agreement is obtained and retained for all participants of the State Plan Personal Care (SPPC) program.
Medicaid Facility Survey Timeliness	The DHSS through the Section for Long-Term Care Regulation (SLCR) ensure survey procedures are conducted within required timeframes.
Medicaid Developmental Disabilities Comprehensive Waiver Per Diem Rates	The Department of Mental Health (DMH) through the Division of Developmental Disabilities (DD) continue to transition all per diem rates paid to providers for residential habilitation services provided under the Comprehensive Waiver program from historical rates to acuity-based rates and ensure documentation to support per diem rates is maintained as required.
GEER Fund Annual Performance Reporting	The DESE ensure accurate annual performance reports are submitted for the Governor's Emergency Education Relief (GEER) Fund.
DESE FFATA Reporting	The DESE complete FFATA reporting for the GEER Fund and the Elementary and Secondary School Emergency Relief (ESSER) Fund in accordance with the applicable requirements.
Special Education Cluster Subrecipient Monitoring	The DESE strengthen controls and procedures to ensure subrecipients of the Special Education Cluster are monitored in accordance with the monitoring guide.

DESE SEFA	The DESE implement controls and procedures to prepare and submit an accurate SEFA to the DOA.
SEMA Suspension and Debarment Procedures	The Department of Public Safety - State Emergency Management Agency (SEMA) should continue to strengthen and enforce internal controls over suspension and debarment requirements to verify each subrecipient of the Disaster Grants - Public Assistance (Presidentially Declared Disasters) (DGPA) program was not suspended or debarred prior to approving funding.
SEMA FFATA Reporting	The SEMA strengthen internal controls related to FFATA reporting to include formal written policies and procedures for compiling subaward data and documented supervisory reviews of the information reported to the FSRS for the DGPA program. In addition, the SEMA should complete FFATA reporting in accordance with the applicable requirements.
MoDOT FFATA Reporting	The Missouri Department of Transportation (MoDOT) strengthen internal controls related to FFATA reporting to include formal written policies and procedures for compiling subaward data, and perform documented supervisory reviews of the information reported to the FSRS for the Airport Improvement Program.